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May 4, 2005

Frances Bachman  
Administrative Assistant  
Docketing Department  
South Carolina Public Service Commission  
P.O. Box 11649  
Columbia, SC 29211

RE: Application of Melrose Utility Company, Inc. for Adjustments in Rates and  
Charges for Water and Sewer Services (SCPSC Docket No. 2005-74-W/S)

Dear Frances:

In accordance with your letter of April 19, 2005, I am enclosing the original Affidavit of Publication, which constitutes proof the publication of the Notice of Filing and Hearing in this proceeding. Melrose Utility Company, Inc., ("the Company") has previously certified to the Commission that the Company mailed the Notice of Filing and Hearing to its affected customers.

Please be advised that the Company presently intends to offer the evidence of not more than three witnesses at the hearing which the Commission has scheduled in this proceeding. We expect the Company's direct case to require less than two hours.

If you have any questions with respect to this matter, please do not hesitate to contact me.

Very truly yours,



Robert T. Bockman

RTB/yms

Enclosure

**RECEIVED**

**MAY 05 2005**

**PSC SC  
DOCKETING DEPT.**

**PUBLIC SERVICE  
COMMISSION OF SOUTH  
CAROLINA  
DOCKETING  
DEPARTMENT**

**NOTICE OF FILING AND  
HEARING**

**DOCKET NO.  
2005-74-W/S**

**MELROSE UTILITY  
COMPANY, INC. -  
APPLICATION FOR  
ADJUSTMENTS IN  
RATES AND CHARGES  
FOR WATER AND  
SEWER SERVICES**

Melrose Utility Company, Inc. (MUC or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for adjustments in rates and charges for water and sewer services. The Application was filed pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2004) and 26 S.C. Code Ann. Regs. 103-512.4 (Supp. 2004) and 103-712 (1976 and Supp. 2004).

According to the Application, the Company was established to provide general utility services on Daufuskie Island, Beaufort County, South Carolina. The Company's service area includes those parts of Daufuskie Island which are bounded by New River, Morgan Creek, Ramshorn Creek, Cooper River, Intracoastal Waterway, and the Calibogue Sound. The subdivisions or tracts included in the Company's service area are Bloody Point, Oak Ridge Tract, Melrose, Haig Point, and Webb Tract. Within its service area, the Company provides water supply and distribution service and sewer collection and treatment services to residential and commercial customers. In addition, the Company provides water service for landscaping and golf course irrigation. According to the Application, despite the Company's efforts to manage and operate its utility systems efficiently, the existing rates and charges produce insufficient operating revenue to permit the Company to maintain its financial integrity to enable it to continue to provide an adequate and reasonable quality of service to its customers, to meet its operating expenses and to attract the necessary capital to enable it to finance the improvements necessary to meet regulatory standards.

The Company's current rates and proposed rates are as follows:

	Present	Proposed
<b>Rates</b>		
<b>I. Residential Rates</b>		
<b>A. Water:</b>		
1) Tapping Fee & Meter w/Box	\$500.00	\$650.00
2) Base Monthly Charge (0 to 7,500 gallons usage)	\$15.00	\$25.00
3) Each 1,000 gallons over 7,500 gallons per month	\$1.20	\$1.41

5) Tapping Fee for 6" Carolina Docketing Department Drawer 11649 SC 29211 \$3,500.00 \$4,000.00

6) Base Monthly Charge (0 to 7,500 gallons) \$21.00 \$25.00

7) Each 1,000 gallons over 7,500 gallons per month \$1.20 \$1.41

8) Tapping Fee per Inn Room \$250.00 \$250.00

9) Tapping Fee per Cottage \$400.00 \$400.00

10) Tapping Fee 4" 6" Diameter Lateral \$500.00 \$650.00

11) Base Monthly Charge \$21.00 \$25.00

12) Each 1,000 gallons over 7,500 gallons per month \$1.20 \$1.41

**DOCKET NO. 2005-74-W/S  
NOTICE OF FILING AND  
HEARING  
PAGE TWO**

A copy of the Company's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P.O. Drawer 11649, Columbia, South Carolina 29211. Additionally, the MUC's Application is available on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov).

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina, on Thursday, August 25, 2005 at 10:30 a.m.

**STATE OF  
SOUTH CAROLINA  
COUNTY OF BEAUFORT**

**AFFIDAVIT**

Personally appeared before me a Notary Public, in and for State and County, aforesaid, Sara Johnson Borton who being duly sworn according to law, deposes and says that she is the Publisher of *The Island Packet*, a newspaper published Sunday through Saturday every week in Beaufort County, **Melrose Utility Company Inc. : Application for Adjustments in Rates and Charges for Water & Sewer Services.** was published in the issue(s) of *The Island Packet* on April 22, 2005.

*Sara Johnson Borton*

Sara Johnson Borton,  
Publisher

Subscribed and sworn to before me this this 22st day of April, 2005.

*Annie M. McLeod*

Notary Public for South Carolina  
My Commission Expires December 16, 2013

**RECEIVED**

MAY 05 2005

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